20 January 1954

PENETRAL DESCRIPTION OF CENTRAL INTELLIGRACE

SUBJECT: Probable Communist Reaction to Release of POW's

1. Over the past week, the Communists have issued warnings that they would regard the return of the 22,000 PON's to the UNC and their subsequent release as illegal under the armistics terms and as "gravely threatening the peace in Force".

g. At a recent UNCHAC meeting, the Communist representative told the UN representatives that:

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"In order to insure the implementation of the terms of reference and prevent the armistice agreement from being further disrupted, thereby gravely threatening the peace in Ferce, I put forth today a proposal which is of great significance and ask that your side should immediately put an end to all the treacherous activities for abdacting the PW's. If your side permists in going your own way and gives no consideration to this serious proposal of our side, your side to this serious proposal of our side, your side grave consequences."

- ). On 13 Jammary, Indian officials told the British that the Chinese Communist reaction to the planned release of the prisoners continued to be very strong and that the Communists had told the Indiana they could not "stand idly by" while the POW's were being returned to the UV.
- 2. It is our estimate, however, that these wernings do not indicate a Communist intent to regame hostilities in Morea, or to Launch new aggression elsewhere in Asia. In our opinion, the Communists do not regard the disposition of the FUF's as a matter sufficiently important to justify breaking the status que in Morea. This was demonstrated by their acceptance of the armistice provisions for voluntary repatriation. It was also demonstrated by their de facto acceptance of the REE release of 27,000 prisoners in mid-June prior to signing the armistice. On both occasions, the Communists protested at length and attempted to conceel their loss of position. They did not, however, permit the PUF issue to provent the negotiation and signing of the armistice agreement.

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- mist forces from Euron, the ennouncement of long-range Communist plans for rehabilitating North Roren, and propent Soviet and Chinose Communist emphasis upon demestic programs are evidence of a Communist decision not to resume hostilities in Roren. Recent Communist tactics concerning the PON's appear to have been designed largely to exact prosence on the Indians and to conceal the prestige losses the Communists suffered on the PON issue.
- A. The Communists made no efforts on 20 and 21 January to prevent the transfer of the 22,000 prisoners from custody of the Indian forces to the URC. However, it is still possible that disturbances will be instigated by Communist agents among anti-Communist prisoners. The purpose of such disturbances would be to give substance to the Communist contention that pro-Communist prisoners have been forcibly rotained. The Communists will probably also continue to refuse to accept the 349 pro-Communist prisoners in order to dramatize their contention that the HOM's have been illegally released.
- 5. Release of the prisoners to civilian status by the UN commend will be denounced by the Communists as a violation of the armistice agreement and will continue to be the subject of extensive propagands. The Communists might use this "violation" as a fastification for actions on their own part violating the armintice agreement, such as a strengthening of their military position in Borth Koren. They might also use it as an excuse for refusing a demand for the return of UN nationals whom they still hold. For the reasons stated in paragraph 2, however, we believe that the Communists will consider the release of prisoners, taken by itself, as a development requiring a major alteration of their previously determined policy in Koros or elections in the Far Sest. We therefore believe that the release of the prisoners will not cause the Communists to attack Hong Kong, Indiana, Thailand, or Bures, or to change the scale and nature of their aid to the Viet Minh in Indochina.
- 6. We believe that the Communist entery concerning the UE armistice "violation" may have been intended not only to obscure their defeat on the PCV issue but to belster the Communist bergaining position prior to the Berlin conference and an anticipated special UE session. By presenting the view that the PCV release was illegal, that the Ecrosm armistice has thereby been violated, and that a tense situation consequently has been created in the Far East, the Communists may be seeking to convince Asian and Vestern European governments that only a Five Power Conference can now lessen tensions in Asia.

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